

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Aaron Acela,
Petitioner-Appellant,

v.

Polk County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 11-77-0445
Parcel No. 312/02559-092-000

On December 16, 2011, the above-captioned appeal came on for hearing before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioner-Appellant Aaron Accla (Accla) requested a hearing and submitted evidence in support of his petition. He was self-represented. Assistant County Attorney David W. Hibbard represented the Board of Review at hearing. The Appeal Board now having examined the entire record, heard the testimony, and being fully advised, finds:

Findings of Fact

Accla, owner of property located at 3313 Melanie Drive, Urbandale, Iowa, appeals from the Polk County Board of Review decision reassessing his property. According to the property record card, the subject property consists of a split-foyer dwelling having 1870 total square feet of living area built in 1973. Included in the total living area measurement is a one-story, 816 square-foot addition with basement built in 2006. The dwelling has a 1596 square-foot walkout basement with 722 square feet of average-plus quality finish, and 816 square-feet of living-quarters finish. It has a 4+05 quality grade and is in above-normal condition. The property is also improved by a 462 square-foot attached garage. The improvements are situated on 0.258 acres.

The real estate was classified as residential on the initial assessment of January 1, 2011, and valued at \$210,100, representing \$40,300 in land value and \$169,800 in dwelling value.

Acela protested to the Board of Review on the grounds the property assessment is not equitable compared to like properties in the taxing jurisdiction under Iowa Code section 441.37(1)(a) and the property is assessed for more than authorized by law under section 441.37(1)(b). The Board of Review denied the protest.

Acela then filed his appeal with this Board based on the ground of over-assessment. He requested a reduction in value to \$187,000, allocated \$40,300 to land value and \$146,700 to improvement value.

Acela offered three sales of split-level dwellings he deemed comparable to his split-foyer property. They are all in normal or above-normal condition. The following summarizes the comparable information:

Address	TSFLA	Attached Garage	SF Basement	SF Basement Finish	Sale Date	Sales Price	2011 AV	\$SPSF	\$AVPSF
Subject	1870	2 car	1596	1538			\$210,100		\$112.35
3109 Melanie	1648	2 car	1296	672	08/04/2010	\$187,000	\$179,500	\$113.47	\$108.92
7317 Airline	1846	2 car	1818	746	05/01/2010	\$167,280	\$199,000	\$90.62	\$107.80
9713 Madison	1632	2 car	1556	537	01/04/2010	\$179,000	\$171,300	\$109.68	\$104.96

Tom Harvey of Next Generation Realty completed a market analysis dated May 2, 2011 using the three sales listed above. He adjusted for siding, gross living area, and basement finish. Harvey opined a suggested list price of \$190,211 and a quick sale price of \$187,000. After adjustments his value range was \$171,760 to \$204,770. Harvey noted declining market values as a selling obstacle.

The Board of Review appraiser analysis questions the comparables selected by Acela because one is a sale by a trust, one is a family sale, and the third is smaller in size. We note the subject property's assessed value per square foot is higher than the comparables; however it has more

bathrooms than the comparables, includes a newer addition, and has significantly more basement finish.

Harvey also prepared a comparative market analysis dated December 5, 2011, then at Re/Max Real Estate Concepts in Des Moines. He used four Urbandale properties that sold in 2010 with sale prices ranging from \$152,800 to \$224,200, or \$85 per square foot to \$113 per square foot. Harvey recommended a price of \$186,000 for the subject property; however, his sale prices were not adjusted to reflect differences between the comparables and the subject property. The following chart summarizes his analysis:

Address	TSFLA	Attached Garage	SF Basement	SF Basement Finish	Sale Date ¹	Sales Price	2011 AV	\$SPSF	\$AVPSF
Subject	1870	2 car	1596	1538			\$210,100		\$112.35
3109 Melanie	1648	2 car	1296	672	08/04/2010	\$187,000	\$179,500	\$113.47	\$108.92
9713 Madison	1632	2 car	1556	537	01/04/2010	\$179,000	\$171,300	\$109.68	\$104.96
7808 Goodman	2029	2 car	1576	432	07/28/2010	\$224,200	\$212,800	\$110.50	\$104.88
2712 71st	1808	2 car	1616	931	10/20/2010	\$152,800	\$223,200	\$84.51	\$123.45

Acela identified an additional 2010 sale of a two-story dwelling in Urbandale for comparison, which is listed below:

Address	TSFLA	Attached Garage	SF Basement	SF Basement Finish	Sale Date	Sales Price	2011 AV	\$SPSF	\$AVPSF
Subject	1870	2 car	1596	1538			\$210,100		\$112.35
3300 Melanie	1744	2 car	990	None	11/01/2010	\$176,000	\$184,400	\$100.92	\$105.73

A review of the cost reports for the five comparables above indicates the cost of the main living areas ranged from \$61.88 per-square foot to \$83.98 per-square foot as compared to the subject property's main living area cost of \$61.14 per-square foot. Average-plus basement finish was valued at \$21.00 per square foot, which is the same as the subject property's cost. The basement finish was classified as average-plus condition and ranged from \$27.30 to \$29.12 per square foot compared to the subject property at \$27.30 per square foot. These items on the cost reports appear uniform in pricing

¹ These dates different from those on the property record cards which list the dates ownership was actually recorded.

and application. The properties are all split-level or split-foyer design, in normal or above-normal condition, and built between 1968 and 1983.

The Board of Review submitted information on three 2009-2010 sales of comparables split foyer dwellings in the area ranging in size from 1077 square feet of living area to 1785 square feet of living area. They have quality grades ranging from 4+05 to 4+10. Sale prices ranged from \$166,000 to \$228,000. Adjusted sale prices range from \$220,922 to \$229,253, or \$127.85 to \$205.88 per-square foot. The Board of Review appraiser's adjustments were made by adjusting sales prices by cost manual figures, a method of questionable validity. These comparisons support an indicated value of \$222,900, according to the Board of Review. We give little weight to this evidence because of the unusual method of adjusting.

Although some of the evidence suggests Acela's property may be over-assessed, its higher valuation appears to be the result of the newer addition, more total living area, more basement area, and more basement finish. Viewing the record as a whole, we find that Acela failed to prove by a preponderance of the evidence his property assessment is inequitable or over-assessed as of January 1, 2011.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all

of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shriver*, 257 Iowa 575, 133 N.W.2d 709 (1965). The gist of this test is the ratio difference between assessment and market value, even though Iowa law now requires assessments to be 100% of market value. § 441.21(1). Acela did not prove by a preponderance of the evidence that his property is inequitably assessed under either the tests of *Maxwell* or *Eagle Food*.

In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). Acela failed to prove by a preponderance of the evidence that his property is over-assessed and the fair market value of the property.

Viewing the evidence as a whole, we determine the preponderance of the evidence does not support Acela's claims of inequitable assessment or over-assessment as of January 1, 2011. Therefore,

we affirm the property assessment as determined by the Board of Review of \$210,100, representing \$40,300 in land value and \$169,800 in dwelling value as of January 1, 2011.

THE APPEAL BOARD ORDERS that the January 1, 2011, assessment as determined by the Polk County Board of Review is affirmed as set forth above.

Dated this 19 day of January 2012.

Jacqueline Rypma
Jacqueline Rypma, Presiding Officer

Richard Stradley
Richard Stradley, Board Chair

Karen Oberman
Karen Oberman, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>1-19</u> , 201 <u>2</u>	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
	<input type="checkbox"/> Certified Mail <input type="checkbox"/> Other
Signature	<u>[Signature]</u>